

# **SOUTH BEND REDEVELOPMENT COMMISSION RESCHEDULED REGULAR MEETING**

August 25, 2006

10:00 a.m.

Presiding: Karl G. King, Vice President

227 West Jefferson Boulevard  
South Bend, Indiana

## **1. ROLL CALL**

Members Present:

Mr. Karl King, Vice President  
Mr. Hardie Blake, Jr.  
Mr. William Hojnacki

Members Absent:

Ms. Marcia Jones, President  
Mr. Greg Downes, Secretary

Legal Counsel:

Ms. Cheryl Greene, Esq.  
Mr. Shawn Peterson, Esq.

Redevelopment Staff:

Mr. Don Inks, Director  
Mrs. Cheryl Phipps, Recording Secretary  
Mr. Bill Schalliol, Economic Development Specialist  
Mr. Timothy Williams, Economic Development Specialist  
Mr. Andrew Laurent, Economic Development Specialist  
Ms. Jennifer Laurent, Economic Development Specialist  
Mr. Nicholas Witwer, Economic Development Specialist  
Ms. Sharon Kendall, Executive Director

Others Present:

Mr. George Adler, Community Development  
Ms. Pam Paluszewski, Legal Dept.  
Ms. Jamie Loo, South Bend Tribune  
Mr. Marty Wolfson  
Ms. Linda Wolfson  
Mr. Bernie Feeney, Ullery Development  
Mr. Jason Durr, Dept. of Engineering  
Ms. Rita Kopala  
Ms. Glenda Rae Hernandez  
Mr. John Phair  
Mr. Paul Phair  
Mr. William Egan  
Mr. David Smith  
Ms. Penny Hughes  
Mr. Greg Jones, Indiana Plan  
Mr. Robert Humbarger  
Ms. Linda Hopkins  
Ms. Diana Hess, IUSB  
Ms. Phyllis Steele

South Bend Redevelopment Commission  
Rescheduled Regular Meeting –August 25, 2006

**1 ROLL CALL (CONT)...**

Others Present continued...

Mr. Robert Jagger, Old Fort Building Supply  
Mr. Ed Fain  
Mr. Brent Kuhn  
Mr. Jerry Niezgodski

Mr. King noted a Revised Agenda for the August 25, 2006 meeting. The Revised Agenda differs from the original Agenda by the addition of Items 6.C.(6), 6.C.(7) and the change of Next Meeting Date to September 15, 2006.

Mr. Hojnacki made a motion that the Revised Agenda be accepted and approved. Mr. Blake seconded the motion and the Commission approved the Revised Agenda dated August 25, 2006.

COMMISSION APPROVED THE REVISED  
AGENDA DATED AUGUST 25, 2006

**2. APPROVAL OF MINUTES**

There were no Minutes for approval.

**3. APPROVAL OF CLAIMS**

Redevelopment Commission Claims submitted August 25, 2006 for approval.

305 SBCDA 2003 BOND

Weaver Boos Consultants LLC	\$ 110.00
Kaser-Spraker Construction	174,789.31
Walker Parking Consultants	5,301.43
Barnes & Thornburg LLP	1,686.50

324 AIRPORT AEDA

Michael C Machlan, P.E.	290.00
Wightman Petrie Inc.	600.00
Ken Herceg & Assoc.	3,203.00
South Bend Tribune	91.94
Tri County News	122.43
SBD Reprographics	226.58
Boswell Golf Design, Inc.	5,700.00
Abonmarche Consultants of Indiana, LLC	2,246.50
CFH Landscape Service	1,080.00

South Bend Redevelopment Commission  
Rescheduled Regular Meeting –August 25, 2006

**3. APPROVAL OF CLAIMS (CONT.)**

414 SAMPLE EWING GENERAL

CFH Landscape Service	5,598.24
-----------------------	----------

420 FUND TIF DISTRICT-SBCDA GENERAL

Indiana Michigan Power	269.22
Downtown South Bend Inc	8,007.50
ComSpect Services Inc.	661.16
South Bend Water Works	163.77
CB Richard Ellis	645.60
Schindler Elevator Corp	1,495.40
Michiana Lock & Key, Inc.	146.50
AEP	156.00
NIPSCO	14.70
CFH Landscape Services	680.00

424 TIF SBCDA Building Operations

Ampco System Parking	25,370.86
CB Richard Ellis	150.00

\$ 238,806.64

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved the Claims submitted August 25, 2006, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS  
SUBMITTED AUGUST 25, 2006, AND ORDERED  
THE CHECKS TO BE RELEASED

**4. COMMUNICATIONS**

Mr. Inks indicated there were five Communications received related to the Public Hearing on Resolution No. 2254. He will read or summarize them during the Public Hearing.

COMMUNICATIONS TO BE READ OR  
SUMMARIEZED DURING THE PUBLIC HEARING ON  
RESOLUTION No. 2254

**5. OLD BUSINESS**

There was no Old Business.

THERE WAS NO OLD BUSINESS

## **6. NEW BUSINESS**

Mr. Inks asked to move Item 6.C.(6) to the top of New Business so that the bids received could be evaluated during the meeting and awarded later in the meeting. There was no objection and Item 6.C.(6) was so moved.

### **C. South Bend Central Development Area**

#### **(6) Opening of Bids for roof repair in the South Bend Central Development Area. (LaSalle Hotel)**

Mr. Inks opened three bids which arrived by the 10:00 a.m. deadline.

Ms. Greene noted that all bids were submitted on the proper form and were properly executed.

Lawmasters, Inc.	Base	\$8,500
	Alt #1	\$3,000
Dudeck Roofing & Sheet Metal	Base	\$6,100
	Alt #1	\$3,975
KRC Roofing & Sheet Metal, Inc.	Base	\$4,900
	Alt #1	\$2,960

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission referred the bids to staff for a recommendation.

COMMISSION REFERRED THE BIDS TO STAFF FOR A RECOMMENDATION.

### **A. Public Hearing**

#### **(1) Public Hearing on Resolution No. 2254 expanding the boundaries of the Airport Economic Development Area, expanding the allocation area for purposes of tax increment financing and amending the Airport Economic Development Area Development Plan.**

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Mr. King acknowledged the large number of people in attendance for the Public Hearing on Resolution No. 2254. He noted that the Redevelopment Commission's public hearings are conducted according to the same procedures that apply to public hearings before the South Bend Common Council as set forth in South Bend Municipal Code Section 2-11. The following is a summary of those procedures.

1. A member of the Redevelopment Department staff will read each resolution by title only.
2. A formal presentation on the resolution will be made, which is not subject to a time limitation.
3. Commission members may ask preliminary questions of the presenter immediately following the close of the formal presentation on the resolution.
4. Members of the public supporting the resolution shall have the opportunity to address the Commission
  - a. Each member of the public shall be required to state his or her name and residential address, and
  - b. Each member of the public speaking in favor of the resolution shall be limited to 5 minutes for his or her presentation.
5. Members of the public opposing the resolution shall have the opportunity to address the Commission.
  - a. Each member of the public shall be required to state his or her name and residential address.
  - b. Each member of the public speaking

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

in opposition to the resolution shall be limited to 5 minutes for his or her presentation.

c. Also, the total time allowed for members of the public to speak against the resolution shall not exceed the time used by members of the public who spoke in favor of the resolution or shall be limited to 30 minutes, whichever is greater.

6. There shall be an automatic 5 minute rebuttal period for the person or persons who made the formal presentation on the resolution, after which the public portion of the hearing is closed.

7. Following the public portion, the Commission portion then takes place where members of the Commission debate, ask questions and make motions on the resolution.

Mr. Inks read the title of Resolution No. 2254, a resolution of the City of South Bend Redevelopment Commission expanding the boundaries of the Airport Economic Development Area, expanding the allocation area for purposes of tax increment financing, and amending the Airport Economic Development Area Development Plan.

Mr. Inks noted that the Public Hearing file is complete, containing: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2254; (3) an affidavit from the South Bend Tribune that the Notice of Hearing was

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

published in that newspaper on August 11, 2006; (4) an affidavit from the Tri-County News that the Notice of Hearing was published in that newspaper on August 11, 2006; (5) a statement from Nicholas Witwer that a copy of the Notice of Hearing was sent to affected property owners and registered neighborhood associations on August 11, 2006; (6) a statement from Nicholas Witwer that he sent a copy of the Notice of Hearing to affected taxing jurisdictions on August 11, 2006; (7) as of 10:00 a.m., August 25, 2006 there were 3 written remonstrances received related to Resolution No. 2254.

Mr. Inks noted that Resolution No. 2254 expands the Airport Economic Development Area and TIF Allocation Area No. 1 and will amend the Development Plan by adding one property to the Acquisition List. The parcel to be added to the Acquisition List is located at 23464 Adams Rd. It will be used as right-of-way for the extension of Dylan Drive. This will be Expansion Area No. 21 to the Airport Economic Development Area. The expansion meets several goals of the Airport Economic Development Plan, as well as being consistent with the land use as indicated in the South Bend and St. Joseph County Comprehensive Plan.

Ms. Greene noted that under I.C. 36-7-14-17.5, the Commission must conduct a Public Hearing when amending a development plan. Notice of the Hearing must be provided in accordance with I.C. 5-3-1, which has been

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

done. The Commission is not required to have evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14, and (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City of South Bend. Resolution No. 2254 includes this language and accordingly, adoption by the Commission would satisfy the requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice. The Commission's action on a remonstrance is to overrule or sustain the remonstrance.

Mr. King asked if the five communications that Mr. Inks referred to are deemed to be written remonstrances upon which the Commission must act? Ms. Greene responded that a remonstrance for consideration by the Commission is a communication that (1) is in writing, (2) complies with the deadline imposed by the notice, and (3) is in specific opposition to the resolution that is before the Commission. Sometimes the Commission receives comments from the public that the person likes or doesn't like a particular project or an aspect of a project, but such communication



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

may simply be considered commentary rather than a remonstrance against something upon which the Commission must act. A remonstrance is a flat out objection to the proposed amendment. I have reviewed these, and for those that do purport to be a written remonstrance to the proposed amendment, after staff makes a report, then Don will summarize what has been received. If the remonstrator is not in attendance, Ms. Greene suggested the entire communication be read in into the record.

Mr. King asked if the Commission could hold its Public Hearing first and then return to act on each remonstrance.

Ms. Greene responded that the law does not stipulate the order for the public hearing, so the Commission may proceed in whatever order it desires provided that the Commission does not take final action on the proposed resolution until the Commission has properly considered all written remonstrances

The Commission decided to postpone reading and action on the remonstrances until after the Public Hearing.

In Staff's presentation to the Commission, Mr. Witwer noted that Phase I, Expansion Area No. 21 will open up 162 acres for light industrial and office development. This will create an expected 830 jobs, a million square feet of building space, and an estimated \$22,000,000 of private investment. Phase I

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

is expected to be built out by 2017. The expansion of the Airport Economic Development Area meets eight of the goals and objectives of the Airport Economic Development Area Development Plan: (1) to stimulate the development of currently vacant land through the creation of development sites, (2) to stimulate new private development in the area, (3) to increase and diversify the city's tax base, (4) to create a significant number of job opportunities for the citizens of South Bend, (5) to provide new space for the expansion of South Bend business, (6) to improve roadway access and circulation in the northwest portion of the city surrounding the Michiana Regional Airport, (7) to stimulate increased use and growth of the Michiana Regional Airport and (8) to increase user traffic for the Indiana Toll Road, specifically Exit 72. The expansion also conforms to the St. Joseph County Comprehensive Plan by providing clean industrial development in an area designated for it that is contiguous and compatible to existing uses in the area. This expansion of 162 acres equates to 3.28% of the size of the existing Airport Economic Development Area, making this a minor expansion. Staff recommends approval of Resolution No. 2254.

Mr. King opened the Public Hearing for anyone wishing to speak in favor of Resolution No. 2254.

PUBLIC HEARING ON RESOLUTION NO. 2254

MR. JOHN PHAIR: President of Holladay

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Properties, 227 S. Main Street, South Bend. Really, you've heard the facts from Nick, but there was an article in the South Bend Tribune a few days ago (most of you probably saw it) regarding the Portage Prairie TIF written by Professor Marty Wolfson. I commend him for taking the time to do it, but I think that I would like to correct a couple of things that are pertinent today. Professor writes, "Including Portage Prairie in the Blackthorn TIF district means that a portion of the tax revenue being captured by the TIF would be used to finance infrastructure projects in Portage Prairie." And he cites the Development Agreement. Well, the Development Agreement that has been signed between the Commission, the City and our partnership are really quite clear. There is no commitment for the city to use TIF funds to finance infrastructure projects in Portage Prairie. In fact, we tried to convince the city to do that and they turned us down. I just want to be sure that it's clear that there are no TIF proceeds that have been committed to Portage Prairie.

Professor Wolfson writes further, "Just how much tax revenue from the Blackthorn TIF would be used for Portage Prairie? The answer can be found in a draft development agreement negotiated between the City of South Bend and Waggoner Farms Development, a limited partnership created by developer Holladay Corporation. In that agreement, the city pledges to use \$2,058,400 of Blackthorn TIF funds for the Portage

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Prairie development. There is no pledge from the city to use TIF funds for this phase or any other phase. The number that is cited here by Professor Wolfson is, indeed, for both offsite and onsite improvements scheduled to be built in that area.

Professor Wolfson writes, “The agreement between Holladay and the city leaves one wondering how the Commission is supposed to incorporate public opinion into its decision-making.” Well, we have had over thirty public hearings or meetings related to Portage Prairie, and only broke ground this past week. The process has gone on almost eighteen months. At least three of those public hearings, including one or two here, were focused entirely on the development agreement, the use of TIF and related issues. How many meetings are too many, how many are too few, I don’t have an answer to that. But there certainly was plenty of opportunity for input.

Professor Wolfson writes, “The tax subsidy for the developer, if it is successful for nine-year abatement on all buildings, is estimated to be \$4,530,027.” The agreement does say that the South Bend Redevelopment Commission will recommend a nine-year tax abatement for buildings in all of Phase I, that have an estimated benefit of \$4,530,000. This also means that those same buildings, which do not exist today, would pay \$4,530,000 during this same time period. This \$4,500,000 is an estimate over a million

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

square feet to be built on a site over the next decade, and, as Nick mentioned, an estimated \$22,000,000 worth of investment. Professor Wolfson writes, “Will growth in Portage Prairie come at the expense of commercial development in other parts of the city?” Well, my answer is absolutely not. Neither we, nor Portage Prairie, make the market place. Where the public works, lives, and recreates can be influenced by government regulation, zoning, planning, and infrastructure, but developers go where the people of the area want to be. In fact, the northwest quadrant of the city and the county now have more new housing permits being issued there annually than does the University Park northeast quadrant of our county, including Granger. Does South Bend, once again, want to turn its back on the direction of growth and watch from the sidelines? I sure hope not, and I think we’re doing this the right way. Professor Wolfson writes, “Any increase in tax revenue from higher assessed property values will not benefit cities generally. The incremental tax revenue will have to be used for infrastructure projects within the confines of the Blackthorn TIF.” As I have stated earlier, the development agreement does not allow or require any use of TIF proceeds in Portage Prairie.

Finally, Professor Wolfson writes, “A new community organization, a community forum for economic development, has discussed the Portage Prairie issue and recommends that if

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

the Redevelopment Commission expands the Blackthorn TIF northward to incorporate Portage Prairie, then it should also expand it southward to include...

Mr. King interrupted to let Mr. Phair know his time was up and to ask Mr. Phair to wrap up his comments.

MR. JOHN PHAIR: Last thing, even though Portage Prairie is not a beneficiary of the TIF proceeds, nor were we successful at convincing the city to set a TIF district in Portage Prairie, we believe that the use of the TIF is an important economic tool for South Bend and all cities. In fact, it is almost the only tool that cities have available to them for this type of use. The addition of this piece of land that currently has less than \$5,000 of taxes being paid from it and the possibility of generating millions of dollars annually, is a legitimate opportunity for South Bend and any city to create the use of a TIF. We would recommend you proceed.

Ms. Greene noted that she had prepared a prompt showing first a one-minute warning and then the five-minute time expiration and will serve as a time-keeper for members of the public wishing to speak.

Mr. King asked if anyone else wished to speak in favor of Resolution No. 2254. There was no one else who wished to speak in favor.

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Mr. King asked if anyone wished to speak against Resolution No. 2254.

MS. GLENDA RAE HERNANDEZ: 702 E. South Street, which is located in the Monroe Park area, an area which was redeveloped by this Commission some twenty years ago. I am here to say that I am opposed to including Portage Prairie in the Airport TIF as the plan now stands. It has always been my understanding that the mission of this body is to redevelop areas of the city which are unable to turn around on their own without some assistance from public dollars. It does not appear to me that this is the case with Portage Prairie. As increased taxes are collected in this new area of the city, being in a TIF means that they will then be spent on infrastructure in the new area, not an area needing redevelopment. At the last meeting of the Commission the staff was asked to bring a report on the feasibility of including LaSalle Square in this same TIF. That would be an appropriate way to spend public dollars to help a declining area be redeveloped. I would ask that you table this resolution until such time as you get the report concerning LaSalle Square; and I would urge you, then, to carefully consider that if you are willing to include Portage Prairie on the outskirts of the city, in the Airport TIF, that you at least balance that by also including an inner part of the city in order that it, too, might benefit from some of the captured tax revenues, so that it can be redeveloped into an economic asset to our city. Thank you.

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

DIANA HESS: 1301 Norwich Ct., South Bend. I am here representing Community Forum for Economic Development which we just heard a few things about a few minutes ago. Our formal statement: we oppose, again, as it is written, the inclusion of Portage Prairie into the Airport TIF. It is our position that if the Commission expands the TIF district northward to incorporate Portage Prairie, that it should also expand it southward to include areas adjacent to the TIF on the west side of South Bend such as LaSalle Square. The specific boundary of the TIF district and the project that the TIF would undertake should be decided with significant input by residents and others in the area. That is our formal statement. In addition, I'd like to ditto everything that Glenda Rae said and sum up by saying that using TIF money for LaSalle Square is one way to encourage economic development in other areas of the city. It provides opportunity to improve living standards for all residents of older and inner city neighborhoods. Thank you.

BILL EGAN: 3402 Scarlet Maple Lane, South Bend. Now, I've been involved in one way or another with this situation for...when it first started. I've been working with people like Dar Wiekamp, John Brademas, Franklin Shurz, Jr., and so forth, trying to get money initially to develop this area by the airport. So, I have a little perspective along this line. I also have a little problem here in that I have the same dilemma as I did when



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

the Common Council was working on the proposal to change the Human Rights Commission: I'm not sure whether I'm for or against. It's one of those things---yes, but. It's easy, I've seen over the years, to go out and plow up some cornfields without the problems. And it's much easier, therefore, to ignore where the big problems are, as I see it. In the inner city where the movement of business and industry is moving out. I would suggest that at least some of the funds through TIF should be used to help the inner city as well as development out here at the Prairie. I think it should be a combination to aid both areas which over the long term works for the welfare of the entire community, rather than just go out and plow up the cornfields and go into that.

LINDA HOPKINS: I own property at 1134 Canterbury Drive, South Bend, Indiana. I was a lifelong resident of South Bend. I'm a panel chair for the City Plan's Community Building, Public Health and Safety panel, as well as I volunteer on numerous boards and organizations that advocate for at-risk individuals. One of the things that Mr. Phair said was that the market goes where people want to be. There are many people in the LaSalle Square area, the LaSalle Park area, the Harbor Homes area, the areas on either side of Lincolnway West and out into the area that was acquired by the Airport---people who have been lifelong home owners who own property, who are there because they cannot afford to build homes in the

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Portage Prairie, in Granger and in any of the other affluent areas. So, I am here advocating on their behalf and I have some documentation here for some innovative answers to the situations that are presented to these individuals. The program I am here today to advocate for is called Project Increment. What I would ask is that if in fact, this TIF area is founded, and if in fact the claim goes forward, that funds be allocated towards jobs and toward infrastructure for these people who cannot move out of that area, so they have opportunities that are afforded to those who are more affluent. And, I will read just the formal structure of Project Impact as the given selection to this area. I would ask for the Redevelopment Commission's support in a project such as this. Here is a quote from Shel Sickerstein, it says, "This bridge will take you half way there, the last few steps you have to take yourself." Through the efforts of Project Impact, South Bend community ties will be strengthened. Youth are encouraged to participate in volunteer activities. Life skills, parenting, and budgeting classes will be offered, placing the emphasis on tools for future success in those areas. We will pursue relationships with our area's leading employers as well as our local school corporations and area colleges and universities, technical institutes and training centers to promote further education and opportunities for gainful employment, which utilizes the internal strengths of our clients. We will collaborate with successful local

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

community and service organizations and will invite those organizations to collaborate in a provision of services to our clients. We will strive not to duplicate necessary services but to enhance those already being offered in our community. We will strive to be an anchor to the neighborhood and an active participant in our community. The principles that will be applied will be that no two people learn exactly the same. Innovative teaching methods and hands-on learning will be provided. Homework is necessary and clients must be motivated to apply what they have learned in their daily lives. Clients deserve and will work hard to achieve success. We will help parents and guardians to be involved in the lives of our children so that each of those children reaches their full potential. We will encourage them to work together to learn how to better their situation. If our community is serious about narrowing the achievement gap, minority and at-risk families deserve and are entitled to special attention and opportunities. What we are discussing today could provide them with those opportunities. All participants are entitled to be valued and respected as individuals. A small group of individuals can change the world. Our goal is to provide the environment and to help provide the resources to build and strengthen character development, to create passion and to supply whatever additional help our clients will need to allow them to transform their lives and to finish their bridge to self sufficiency and success.

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

What we would propose is to take a demographic within a geographic, which you can choose Beacon Heights, LaSalle Park, whatever you would like to choose, take those families, give them a self sufficiency plan, matriculate them through an eighteen to twenty four month system, and provide them with home ownership opportunities back within the same geographic from which they started, so as to build a foundation whereas to strengthen the entire community. Thank you.

Ms. Greene said that we would mark the documents that Ms. Hopkins gave and that they would become part of the public record, today.

MARTY WOLFSON: 809 Park Avenue, South Bend. I am pleased to see Mr. Phair has read so carefully my Michiana Point of View in the South Bend Tribune. I will try to address the main point, and that is, with the improvements to Dylan Drive and the other infrastructure projects in Portage Prairie, will not be using TIF funds. There is \$2.058 million that are mentioned in this development agreement and the point we are discussing today is the incorporation of the first phase of Portage Prairie into the Airport Economic Development Area, which we know is a TIF increment financing district. If that \$2 million for those local public improvements are not going to be drawn from TIF funds, I think it is interesting to know. My impression was otherwise. If they are not, I would like to know where they

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

are coming from and I think it is interesting to note, Mr. Phair is saying he is not intending to be using any TIF funds in the Portage Prairie Project. I think that is interesting information.

I will try to address some of the other points that he raised in a statement that I have prepared. The Redevelopment Commission at its July 21 meeting approved a Development Agreement that promised to support the use of \$2.1 million in Blackthorn TIF revenue, plus \$4.5 million in tax abatements for the Portage Prairie Development. The Commission is now considering Resolution No. 2254, which would bring the first phase of Portage Prairie into the Airport Economic Development Area. I am opposed to Resolution No. 2254 because to focus only on Portage Prairie, and to subsidize it in this way risks aggravating the problems of older areas of the city. Portage Prairie could worsen the problem of disinvestment in poorer areas of the city as businesses in these areas suffer from the pull of new growth on the fringe. It would be difficult for residents of the inner city without automobiles to benefit from jobs at Portage Prairie because of the distance and the lack of public transportation. I think it's important to note, this is not a position against growth. This is a position that tries to take into account the perhaps unintended consequences of growth in the fringe area of the city and the possibilities of economic development in older, core areas of the city. I

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

believe that economic development should be a process that improves living standards and opportunities for all area residents. So I agree with the position of the community forum for economic development as stated by Diana Hess. If the Commission expands the TIF District northward to incorporate Portage Prairie then it should also expand to include areas adjacent to the west side of South Bend, such as LaSalle Square. What does that mean for what the Redevelopment Commission should do at this meeting? Obviously, Portage Prairie is a developed plan whereas ideas for economic development projects and the potential expansion of the TIF District on the west side have yet to be fully formulated. There needs to be a period of time to develop a plan. If the Commission approves Resolution No. 2254, it should at the same time, that is today, formally approve a concept of expanding the TIF southward to the general area of LaSalle Square, with a concrete plan to be developed in a specific period of time. If the Commission is unable to make such a commitment it should table Resolution No. 2254 until such time as it has a fully formulated plan for the LaSalle Square area. The formulation of any plan for LaSalle Square area and the drawing of any expanded boundaries southward for the Blackthorn TIF District. There should be significant input from residents, businesses, neighborhood organizations, churches and others in the area. People who live and work there have ideas for what kinds of projects would

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

promote economic development. They should have the opportunity to shape a plan that could improve their economic conditions and opportunities. Redrawing the Blackthorn TIF boundary to include the LaSalle Square area is important, but it is only one step. Other resources and initiatives should be brought to bear to develop the LaSalle Square area and other areas suffering from disinvestment should receive the same attention. We should build upon and support the efforts of the many dedicated individuals who are working to ensure equal opportunities for all.

Ms. Greene told Mr. Wolfson his time was up. Mr. King allowed Mr. Wolfson to finish his paragraph.

MR. WOLFSON: To create an environment in which all children can grow up to realize their full potential and, thereby, enrich the lives of all of us.

PENNY HUGHES: 1918 Southern View Drive, South Bend. I own a number of rental properties in the city of South Bend and I am here to speak on behalf of real estate investors who have been trying to save the inner city as people have been moving out to suburbia and abandoning their homes. It has been the real estate investors who have been buying up these properties, renovating them and trying to help the inner city stay vibrant. We felt we got quite a kick in the teeth when the City, rather, when the State legislature

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

decided to give a \$35,000, now \$45,000 exemption and nothing to real estate landlords. So, poor tenants have had to pay more in the inner city to help cover these increases in taxes. My own personal taxes went from \$38,000 to \$73,000 over night, and I, as a business person, was expected to absorb that kind of “hit” on my business. As a result of that we have in today’s paper ten pages of houses going up for tax sale. We went to the City Council three or four years ago when this tax problem first came, and we said, this is going to happen to the City, please help us get the State Legislature to understand what they are doing to us and either take away all homestead exemptions or give it to all residential housing. They said, “we have to study the issue.” I guess they’re still studying it because they have never gotten back to us. Meanwhile, what we said was going to happen, 40% vacancy between Lincolnway and Portage and that neighborhood has happened now, and they didn’t listen to us, and that is the result. So, I am here to say, I think TIFs are a good thing. When the Grape Road developers wanted to develop Grape Road, they wanted South Bend to do it. South Bend said, no, we are not going to go to that expense. So, Maggie Prickett said, “We’ll do it.” And, as a result, they did, and they improved that, and it has gone extensively further than they ever originally planned to do. And, I think Mishawaka has been the beneficiary of that. They have, in their wisdom, 15 years ago or so said, “look, we are going to come down



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

main street and help some of our inner city.”  
We, as real estate investors, would like to see the City keep in mind that we really do need either another TIF district or to help that inner city while we are helping development on outside areas, which I believe is going to be a good thing. Expanding the city limits is a good thing, but let’s not forget our inner city and try to perhaps come down, including LaSalle Square or that whole area that’s been in trouble, and, not forget them, as well.

Mr. King asked if anyone else wanted to speak against Resolution No. 2254.

JERRY NIEZGODSKI: 2930 Bonds Avenue, South Bend. I am not certain that you received my...(it was acknowledged that we had) yes, you did. I just want to briefly read, I know you are going to summarize it, but, my letter to President Jones and the rest of the members of the Commission. What we stated is that we enclosed some petitions with signatures opposed to this expansion at this time, and that is very important. We understand the need for South Bend to grow, and we also have seen the deterioration of our inner city neighborhoods. As members of the Redevelopment Commission, we suggest you honor your mission to foster growth and revitalization of all areas of the city, new and old. One way to accomplish this would be to not only extend the airport TIF boundaries northward to include Portage Prairie area, but to also extend them southward to include LaSalle Square and adjacent areas along

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Lincolnway West. We urge you to table this vote until you and your commissioners meet with the stake holders in and around LaSalle Square area to determine where the boundaries should be extended to the south of Lincolnway West. As the enclosed petition states, “as the gateway to our city, Lincolnway West and LaSalle Square area offer the first impression of our town to our visitors. Infrastructure improvements to LaSalle Square and the surrounding area will allow the City to jumpstart revitalization of the Lincolnway West corridor and LaSalle Square. The neighbors and business owners of the Lincolnway West Gateway Association look forward to working with you to make South Bend’s west side an area of which we can all be proud. In the petition itself, we note, again, that we oppose this at this time. We are not anti-growth at all. To reiterate everything you heard, if you are doing on the fringes, recognize the need and the opportunities that could be created by expanding the TIF southward to the LaSalle Square and Lincolnway West area. Thank you for your time.

GREG JONES: I work at the Indiana Plan, 315 N. Lafayette Blvd., and I live at 53384 Olive Road. I am just going to reinforce a couple of points that were made earlier regarding a transportation plan. When the Blackthorn Development projects were being done, the Holy Cross Health Services were building a building and some of my trainees from Indiana Plan had to walk a mile from

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

the bus. The bus would only go out to Aucilla Plastics. They had to walk a mile to get to that project. The State of Illinois just passed a law recently, in June, that any development projects have to have transportation plans associated with them before being approved. And, I would like to ask that before this project be approved that a transportation plan be incorporated as part of it, and possibly even a hub. Right now, Transpo has to take an express bus from downtown, does a loop around Blackthorn. If a hub were placed maybe at LaSalle Square, using TIF dollars from this project, maybe that money would help the transportation. I am not a transportation expert; I am just throwing that out there as a possibility. I just want to make that point about transportation and the other thing I just made about TIF being extended south just like they have done in Mishawaka. Mishawaka has now....they got out ahead of us on the mall, and they also got out ahead of us on the TIF, so they have taken that TIF from the peripheral and brought it down into the inner city and brought some really nice statues down there, a nice park, made it attractive. Maybe the same sculptor could build some of those kind of sculptures out in LaSalle Square and make it attractive. So those are my two points.

Ms. Hughes indicated she wanted to speak. Mr. King told Mrs. Hughes that we could only allow each person to speak once. She said she had forgotten to say one sentence and perhaps someone else could say it for

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

her. He thanked her, and asked if anyone else wanted to speak against Resolution No. 2254 to come forward at that time. Mr. Eagan asked if since he didn't use all of his time the first time if he could use the rest of it at that time. Mr. King said the statute also states that each person is only allowed to speak once and he will revise his notes and be sure to mention that at the beginning next time. He was sorry he could not comply with Mr. Eagan's request.

DAVE SMITH: 1312 Kline. I was also going to mention that there should be a time limit on these TIFs. They should not last forever. We know that maybe we get the money back into the community to help it grow and develop instead of just expanding the monster or whatever. I like a lot of the things that were said this morning.

Mr. King thanked each one who spoke. He asked if anyone else wished to speak against Resolution No. 2254. There was no one. Mr. King closed the Public Hearing for whatever action the Commission wished to take.

Mr. King asked Mr. Inks to read or summarize the remonstrances.

Mr. Inks noted that there were five Communications received related to Resolution No. 2254. Three of them expressed opposition to the expansion of the Airport Economic Development Area to include Portage Prairie and are, therefore, remonstrances. They opposed the expansion

READING OF REMONSTRANCES AGAINST  
RESOLUTION NO. 2254

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

unless the LaSalle Square area was also added to the Airport Economic Development Area. The other two express the desire to include the LaSalle Square area to the Airport TIF area, but don't say they are opposed Resolution No. 2254.

Communications:

Mr. Jack Daly sent an E-mail to Don Inks on 8/23/06 as follows:

*Dear Sir,*

*Being a working man, I am not sure I'll be able to attend this Friday morning's meeting regarding the proposed inclusion of the Portage Prairie project in a TIF district. I am extremely interested in this and would appreciate your passing on my input to the folks empowered with making the decision on this question.*

*I wish to make two points here: (1) The idea of granting tax abatements and the like to those interested in developing that area for their own businesses is one that gives me pause. The area out there is an attractive one, evidently. As development in our area spreads out from the inner city to the outlying districts, areas like Portage Prairie will naturally be targeted by companies seeking to expand their operations. This will happen with or without the perks gained from a TIF...to further enhance this business opportunity with abatements that do nothing*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*for the inner city's blighted areas, and, in fact, removes tax dollars that would be applied towards rejuvenating those areas, seems unnecessary. The employment opportunities touted by developers of projects such as this are of no use to the people living closer to the city center without the transportation system to allow access to those jobs promised. The tax base that could go towards upgrading city schools and other improvements now will include none of that money. An opportunity for profit is provided these companies, tax dollars are applied to enhancing their projects like Portage Prairie, and the areas of our city that could use the financial boost those tax dollars could bring in order to upgrade life in the city are lost.*

*Which brings me to...(1) One way of ensuring that the companies reaping a TIF's benefits also contribute to the improvement of life here in South Bend and surrounding areas would be to balance development outside the city center with a correlated expansion of that TIF district to include an area, or areas, severely in need of attention. If the TIF district can be redrawn to include Portage Prairie, there should be a corresponding expansion of the TIF to include an area such as LaSalle Square, thereby ensuring that some of the benefits from the redirecting of tax funds would go to benefit the people living in our city, and not just the corporations looking to profit from our population.*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*While working to attract these businesses into our area, let's work to ensure that the folks in the city will reap benefits from such projects, and not just the companies involved.*

*Thank you for your consideration of my thoughts.*

*Jack Daly  
Citizen of St. Joseph County*

Mr. Dan Hungerman sent an E-mail to Don Inks on 8/23/06 as follows:

*I am requesting that this communication be directed to members of the Redevelopment Commission. I urge the Commission to carefully consider whether the benefits of including Portage Prairie in the TIF exceed the costs. Should the Commission decide to expand the TIF to include Portage Prairie, I agree with many others in the community that additional expansion of the TIF to less robust parts of South Bend deserves serious consideration.*

*Sincerely,  
Dan Hungerman*

Remonstrances:

Mr. Joseph Carbone sent an E-mail on 8/25/06 to Don Inks as follows:

*I do not favor the inclusion of the Portage*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*Prairie development into the Airport TIF by itself. The intent of TIF districts are to fix up blighted areas. If anything LaSalle Square should be in a TIF district. LaSalle Square is an area of the city that needs redevelopment, and is part of the Lincolnway corridor. This area of the city is the first area, which people see coming from their drive in from the airport.*

*I have been attending a subcommittee of the Community Forum for Economic Development. We have been discussing TIF districts and tax abatements. Marty Wolfson and two representatives from the economic redevelopment committee of South Bend have been at these meetings, along with other concerned citizens and groups, including a group representing rental properties. I believe TIF districts serve a purpose, but the time limits seem too long. TIF districts can presently exist for 30 years under the present law. I believe the airport district has no limit, since it was initiated before the new law. TIF district taxes can only be used for infrastructures and not for schools, teachers, police offices, firefighters, or libraries. As you can see this is the drawback from TIF districts. The TIF districts take revenue away from operational expenses of the city and county.*

*I realize that the city probably gets more tax revenue, but this money is now controlled by folks who are not voted for. The tax money is controlled by the recommendations of the*



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*Redevelopment Commission and not any  
elected representatives of the city or county.*

*I would recommend that TIF districts be  
restricted to 5 to 10 years in length so as to  
build the infrastructure, but not cause a  
hardship for the tax payers who are  
subsidizing the TIF districts' operational  
expenses. These operational expenses to the  
city and county government include, but are  
not limited to, libraries, police and fire  
protection. These costs fall on the shoulders  
of the rest of us.*

*In solidarity,  
Joe Carbone  
Area representative CWA4900  
Chairperson St. Joseph Valley Project Jobs  
with Justice*

Upon a motion by Mr. Hojnacki, seconded  
by Mr. Blake and unanimously carried, the  
Commission acknowledged receipt of the  
remonstrance from Mr. Joe Carbone.

Mr. Martin Wolfson sent an E-mail to Don  
Inks on 8/23/06 as follows:

*Dear Don:*

*Please submit the attached file to the  
Redevelopment Commission in reference to  
its hearing this Friday. It is the text of the  
Michiana Point of View article that appeared  
in the Tribune on August 15, 2006, except it  
has the title that I submitted (before it was*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*changed by the Tribune headline writer).*

*If you have to categorize it as for or against Resolution 224, you can count it as against.*

*Best regards,  
Marty*

*The South Bend Redevelopment Commission is considering a plan to incorporate the proposed Portage Prairie development into the Airport Economic Development Area (also known as the Blackthorn Tax Increment Financing (TIF) District). It will hold a public hearing on the issue on August 25. This issue might seem technical and obscure to many people. However, because the plan involves a significant subsidy to the Portage Prairie “mini-city” in the newly-annexed, far northwest corner of South Bend, it raises important questions about how taxpayer money is used and whether or not the downtown and surrounding older areas of South Bend would be left behind.*

*Because the Airport Economic Development Area is a TIF district, the property taxes from increases in assessed value in the district (the “tax increment”) are “captured” and used for infrastructure improvements in the district. They do not go to the regular taxing jurisdictions, such as the City of South Bend, St. Joseph County, schools, library, Transpo, etc.*

*Including Portage Prairie in the Blackthorn*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*TIF district means that a portion of the tax revenue being captured by the TIF would be used to finance infrastructure projects in Portage Prairie.*

*A lot of money is potentially available. The Blackthorn TIF generated a \$6.2 million tax increment in 2005, and had \$10.6 million in cash as of December 31, 2005. Although projects are currently planned within the present boundaries of the TIF district, it is a “mature” area; it was established in the early 1990s and many of the basic infrastructure projects are already completed. Projects now under consideration are arguably of secondary priority, such as the proposed \$450,000 plan to upgrade the bunkers in the Blackthorn Golf Course. (This plan was rejected by the Redevelopment Commission at its July 21<sup>st</sup> meeting.)*

*Just how much tax revenue from the Blackthorn TIF would be used for Portage Prairie? The answer can be found in a draft development agreement negotiated between the City of South Bend and Waggoner Farms Development (a limited partnership created by the Portage Prairie developer, Holladay Corporation). In that agreement, the City pledges to use \$2,058,400 of Blackthorn TIF funds for the Portage Prairie development. Although the agreement recognizes that this plan is subject to a decision by the Redevelopment Commission to incorporate Portage Prairie into the TIF, and approval*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*by the Commission of the specific projects, the nature of such a specific negotiated agreement between Holladay and the City leaves one wondering how the Commission is supposed to incorporate public opinion into its decision-making.*

*In addition, the agreement states that “Developer [Holladay] . . . acknowledges that the [Redevelopment] Commission, in accordance with this Agreement, will endorse and support a nine (9) year tax abatement for the [Portage Prairie] Project.” The agreement acknowledges that tax abatements are subject to approval by the Commission and by the South Bend Common Council. The tax subsidy for the developer, if it is successful in its request for 9-year abatement on all buildings, is estimated to be \$4,530,027.*

*The \$2.1 million in TIF tax revenue and the \$4.5 million in tax abatements are only for Phase One of the Portage Prairie project. There are nine phases in all, but the City has thus far only agreed to support the first phase. Supporting the remaining phases would obviously imply a much greater tax subsidy.*

*Proponents of the Portage Prairie development argue that such large subsidies are justified because of the increase in jobs and assessed property value that would be created. But an important issue is how broadly these benefits would be shared.*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*Would the jobs created address the issues of unemployment and poverty in the inner city? Portage Prairie is a long way from downtown South Bend, and there have not yet been any plans, to my knowledge, to provide for public transportation to the development. It took years before bus service was established to Blackthorn. Would growth in Portage Prairie come at the expense of commercial development in other parts of the city? It seems likely that the demise of Kroger's and Target in LaSalle Square was hastened by the new Wal-Mart and Meijers stores that opened on Portage Avenue near Cleveland; they, in turn, were likely attracted there by the increase in residential development in the area near Blackthorn.*

*In addition to these concerns, there is also the following problem: if Portage Prairie is incorporated into the Blackthorn TIF district, any increase in tax revenue from higher assessed property values will not benefit City residents generally; the incremental tax revenue will have to be used for infrastructure projects within the confines of the Blackthorn TIF. Indeed, much of it is likely to be used to benefit the fastest-growing area in the Blackthorn TIF, Portage Prairie itself.*

*What should be done? How can economic development increase living standards and opportunities for all area residents? One idea for achieving this goal has been*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*suggested by a new community organization, The Community Forum for Economic Development. It has discussed the Portage Prairie issue and recommends that, if the Redevelopment Commission expands the Blackthorn TIF northward to incorporate Portage Prairie, then it should also expand it southward to include areas adjacent to the TIF on the west side of South Bend, such as LaSalle Square. The specific boundary of the TIF district, and the projects that the TIF would undertake, would be decided with significant input by residents and stakeholders in the area.*

*Using TIF money to redevelop LaSalle Square should not be the end of our efforts, but simply one way to take on the larger task of including all areas in the City's prosperity. It is a positive step to make economic development work for all.*

*-- Marty Wolfson teaches economics at the University of Notre Dame. He is a member of the Community Forum for Economic Development and the citizen representative on the South Bend Common Council's Committee on Community and Economic Development.*

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission acknowledged receipt of the remonstrance from Mr. Martin Wolfson.

A remonstrance from Jerry Niezgodski was

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

received in the office of the Redevelopment  
Commission on 8/24/06 as follows:

*Marcia I. Jones, President  
South Bend Redevelopment Commission  
227 W. Jefferson, Suite 1200  
South Bend, IN 46601*

*Madame President,*

*I am writing to you and your fellow  
Commissioners regarding your August 25  
hearing on expanding the Airport  
(Blackthorn) Tax Incremental Finance (TIF)  
District to include areas in the newly  
annexed Portage Prairie development. I am  
enclosing petitions with signatures opposed  
to this expansion at this time.*

*We understand the need for South Bend to  
grow. We also have seen the deterioration of  
our inner city neighborhoods. As members  
of the REdevelopment Commission we  
suggest you honor your mission to foster  
growth and revitalization of all areas of the  
city, new and old. One way to accomplish  
this would be to not only extend the Airport  
TIF boundaries northward to include the  
Portage Prairie area, but to also extend them  
southward to include LaSalle Square and  
adjacent areas along Lincoln Way West.*

*We urge you to table this vote until you and  
your commissioners meet with the  
stakeholders in and around the LaSalle  
Square area to determine where the*

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*boundaries should be extended to the south of Lincoln Way West. As the enclosed petition states, "As the gateway to our city from the airport, Lincoln Way West and LaSalle Square area offer the first impression of our town to our visitors. Infrastructure improvements to LaSalle Square and the surrounding area would allow the city to jump start the revitalization of the Lincoln Way West Corridor and LaSalle Square."*

*The neighbors and business owners of the Lincoln Way West Gateway Association look forward to working with you to make South Bend's west side an area of which we can all be proud.*

*Sincerely,  
Jerry Niezgodski  
Chairman  
Lincoln Way West Gateway Association*

Mr. Inks also read the prelude to the petition.

*PETITION FOR ADDING LASALLE  
SQUARE AREA TO AIRPORT TIF  
DISTRICT*

*As the gateway to our city from the airport, Lincoln Way West and the LaSalle Square area offer the first impression of our town to our visitors. Infrastructure improvements to LaSalle Square and the surrounding area would allow the city to jump start the revitalization of the Lincoln Way West*



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

*corridor and LaSalle Square.*

*We, the undersigned (and attached signatures) urge the South Bend Redevelopment Commission to table the vote to expand the Airport TIF northward to include the Portage Prairie development at this time. Further, when the issue is revisited, if the Commission decides to expand the Airport TIF boundaries northward, it should also extend them southward to include LaSalle Square and the surrounding area of Lincoln Way West.*

*We also request the Redevelopment Commission hold hearings in the LaSalle Square area to get the input of neighbors, business owners and all stakeholders as to where the boundaries should be extended south of Lincoln Way.*

There were 127 signatures on the petition.  
The petition was passed to all  
Commissioners for their viewing.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission acknowledged receipt of the remonstrance from Mr. Jerry Niezgodski.

Mr. King offered staff an opportunity to rebut the arguments made in the Public Hearing.

REBUTTAL FROM STAFF

Mr. Inks: There are a couple of points I'd like to comment on. First of all, it seems that

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

while these people have expressed some concern about the expansion of the Airport Economic Development Area to include Portage Prairie, there seems to have been consensus through the comments that the objection isn't so much related to the expansion of Portage Prairie, but to also consider the inclusion of the LaSalle Square area as a part of the TIF area expansion.

There are a couple of other points here. The mission of the Redevelopment Commission came up in at least two or three of the comments opposing this resolution. I would remind people that the mission of the Redevelopment Commission is at least two-fold: It has powers not only to redevelop blighted areas, it also has the ability to designate economic development areas that are not blighted areas. They are designated to create new business opportunities, new investment, new jobs and provide other benefits to the communities. So economic development areas are a part of the Commission's mission.

I would also point out that we've been focusing on just the Airport Economic Development Area, which is one of many development areas that the City of South Bend's Redevelopment Commission has under its jurisdiction. West Washington is a separate redevelopment area, it is a TIF area, it is in the inner city, and there have been significant activities that have been undertaken there to get rid of blight, to create

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

new housing opportunities, new business opportunities. The Redevelopment Commission also has the Sample-Ewing Development Area, also in the inner city, focusing on the Studebaker Corridor and the southeast neighborhood. There have been significant strides made in improvements in the southeast neighborhood, there have been millions of dollars committed to the demolition and reclamation of the land for Oliver Plow and the Stamping Plant site. The other inner city projects include the Northeast Neighborhood Development Area which was established in the last three or four years by the Redevelopment Commission. It is also an inner city neighborhood, and while that is a TIF area, it does not generate its own increment. The progress takes time to build up and, to date, there has not been enough development to generate TIF revenue in that area. But the city, through other resources, has been providing a half million dollars for the past years, plus administrative funds for the Northeast Neighborhood Organization, to move that project ahead. Properties are being acquired, plans are being made and development will be occurring in the near future. So, that area, again, is in the inner city and is a Redevelopment Commission project.

We could go around and, I suppose, cover the rest of the redevelopment areas. I'm not sure that's entirely necessary, so I will stop there unless somebody desires to hear more

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

about that.

I think, finally, the mention of LaSalle Square is a consistent theme in all of the comments and this Commission did receive a communication from Charlotte Pfeifer previously, has responded to that communication and indicated that by its first meeting in October staff will bring back a report on LaSalle Square and make a recommendation on including that in the Airport Economic Development Area and in the TIF allocation area. But, with those comments, I will conclude.

Ms. Greene noted that the action before the Commission at this time is simply the adoption of a resolution that expands the Airport Economic Development Area. There's been a lot of commentary by persons in attendance with respect to other areas. However, that issue is not before the Commission today.

Ms. Greene also clarified that action on Resolution No. 2254 would in no way preclude the Commission, at a later point in time, from taking action consistent with some of the comments that were taken today, if the Commission wishes. One item that is not before the Commission is the inclusion of other areas not referenced in the resolution. But action on Resolution No. 2254 does not cancel the process toward including the other area(s) at a future point in time.

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

Ms. Greene also pointed out that there is a clear distinction between an economic development area and a redevelopment area. While it is very easy to talk about TIF being used generally, TIF is used very differently in those two types of development area. This is primarily due to the fact that the use of TIF in each type of development area is based upon the reasons that the development area was established originally. Therefore, the Development Plan imposed for each type of development area will vary. In a redevelopment area the Commission's focus is eliminating blight. The findings on which such designation of a redevelopment area is based is that there are deteriorating buildings and other conditions which cannot be turned around without government involvement. Conversely, in an economic development area, the focus of the Development Plan is increasing the tax base and creating jobs. The findings on which the Commission's designation of the economic development area is based is that the area lacks the infrastructure necessary for business development. TIF dollars get spent based on the Development Plan in place for the development area. In a nutshell, the Development Plan for the area depends on what you are trying to correct – blight or lack of business development.

Mr. Peterson noted that Resolution No. 2254 expands the Airport allocation area. It really has nothing to do with the Portage Prairie project. The developer has already obtained

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

the zoning permits, has full authority to build this project. What was mentioned as far as the Development Agreement, in that agreement he consented to us as being the only owner of the property on which we desire to build Dylan Drive, consent to this action by the Commission. He would not oppose it. This allocation area allows the Commission to collect taxes off of increased property values from commercial properties. It can only be used for local public improvements and for bonds to make local public improvements. When you expand an area, what you hope to do is to increase the TIF revenue and what this project does, as an example, is take property with very little assessed value and building a building on it which will create additional increment. The goal is to create new tax revenue to use for improving the infrastructure in the area. Now that's helpful in the sense that if in the future you decide to expand into LaSalle Square, it does provide additional funds for that. So, if you are for using more funds, you need to have more funds to use. Secondly, with the new tax legislation about the 2% circuit breaker, the amount of TIF revenue will likely go down in the area. We have two bonds outstanding, so for the purpose of increasing revenue, it's in the best interest of the City, for the coverage of the bonds, to expand the area. When you expand a TIF area to include land that has buildings, as does LaSalle Square, it has to be thought through very carefully. It has to be done at just the right time, because they currently

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

have assessed value. If the developer goes in and tears them down, you could lose current revenue you already have, which could impact the payment on the outstanding bonds. So, there's a big distinction of what an allocation extension does. All things considered, what we're doing due to the agreement we've negotiated before is to be able to capture that, to make our bond payments, to do the improvements, and to help things like other expansions that will come to play in the future. That's what this resolution does, and that's all that this resolution does.

Mr. King noted that there has been a lot of discussion, a lot of clarifications and rebuttal. It's now time for the Commission to decide what it wants to do.

Mr. Blake: I like what you're saying, Shawn, about the TIF. That kind of ties in with what John Phair was saying. So, I think John might want to use one of those parliamentary procedures to yield back the balance of the remainder of his TIF. I've got a couple of commentary things. Do I get more than five minutes?

Ms. Greene: You are a Commission member. You get as long as you like.

Mr. Blake: We really do want to talk about the economic development as opposed to the redevelopment. Because the economic development is the real issue. It's not just

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

redevelopment, because you cannot eliminate poverty with just redevelopment. You must eliminate poverty with economic development.

Now, John, you made a couple of comments, and it sounds like, to me, that you would like to persuade the Commission to exclude Portage Prairie from the TIF district. And just include the LaSalle district. According to what you said, Shawn, that would be a negative thing. Now, I may be off track on that.

The primary concern that I have, as well as the other people that are here, I think, that were opposing it, is that the inner city, especially the LaSalle area, or any other part of the city, whatever is decided here with approval of the proposal, if we approve that, the primary concern is that the inner city, that the LaSalle area does not get forgotten after this is done. When we approve this and leave here, that LaSalle and other blighted or poor, impoverished, undernourished areas get forgotten. And then there's nothing we can do about it because no one else cares about it after we leave here. That's a concern that that doesn't happen, so I would like somehow to give a definite assurance that that won't happen. Now, can the Commission do that, that it won't be dropped and forgotten? Because I'm very much aware that we've got to vote on this. There are three Commissioners. If I don't vote, or if I vote against it, then that means you don't



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

pass it. I may be a preacher, but I ain't stupid. Sometimes you get that impression, though.

Here's some commentary that I would like to say, what my position is. Infrastructure is what TIF is to be used for. Brick and mortar infrastructure has not fixed the problems of the inner city. The drugs, crime, violence, poverty cannot be fixed by brick and mortar. The true infrastructure is the people, that is people infrastructure: heart, mind, soul and spirit of the people. The old way of infrastructure thinking is new wine in old wine skins. We must not continue to conform to the old wine skins and the old world thinking. But we have to transform through the renewing of the mind. Not just being conformed to the old way of thinking. And I say as far as poverty and the 'hood is concerned, and economic development for the poor....because the poor people are not going out there to Prairie, Portage Prairie. So, I'm saying economic development for the poor...that's part of what we're talking about when we talk about the LaSalle. We're talking about economic development for poor people. Inner city, low and no income. That's part of the issue that we must address. And this is the time to do it as well. Portage Prairie has given us a platform to talk about that. Thank you, John, I appreciate it. And we need that sort of platform to be able to talk about it. The City has come to accept poverty as just a fact of life, and accepting poverty as a fact of life, but at the same time

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

we expect to eliminate drugs, crime, and violence, and it ain't going to happen. That just does not work, when you try to do both of those things. I believe we should have a City Plan. We've got one, but I'm saying to eliminate poverty in the entire City of South Bend. It is radical to suggest that, but it is not impossible. We can create a plan with the specific purpose of not only diminishing, but eliminating poverty in South Bend. It will change the level of thinking if we think about that. And we will find new solutions to old problems if we do not believe that we can do that, then we won't even think about trying to do it. And so our level of thinking remains the same.

Another commentary that I'd like to make is this. Resources generated from TIF and all taxes, if properly developed, should generate wealth transference to all succeeding generations, but time and time again urban inner city, poor communities, are left without any meaningful transformation, despite the hundreds of millions of dollars, as you were saying, Don, the hundreds of millions of dollars directed toward various government driven programs, because the implementation of each program has been wholly without any coordinated model, based on the needed capacity to deliver the services and the ability to sustain the ultimate bottom line. If and when achieved, the poor are often left behind to defend for themselves without the benefit of city planners who really care about the poor's well-being. America's public and

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

private sector has spent billions upon the poor in the form of income support, safety nets, rental assistance, transitional aid, and supplemental spending, but these sectors have rarely invested in the poor, empowered them with assets, enabled them to own a piece of their neighborhoods, or encouraged them to build wealth. Thus, while the U.S. has succeeded in preventing the vast majority of poor families from falling through the net, or through the bottom, it has failed in offering the asset-building tools necessary to let those families move from the bottom to the middle to the top. It ignored them to a great extent. Our country has an economic development plan, our state has an economic development plan, our city has an economic development plan, but we need to have a serious economic development plan for the 'hood, for the poor, for those who really don't have an economic plan, don't have the ability to develop an economic development plan, and so we let them fall and they continue to fall, without the proper care and concern for the city. If the city does not care for the poor, who's going to do it. I know we can say that the church should do it. Well, you know what? The city is supposed to be a part of the church, also, or the community, or at least that's the way....everybody in here is probably a part of somebody's church. We're on this committee here. I'm a part of the church. You guys may or may not be. But, I'm saying that is a part of it. The reality, and that's what we do not want to lose when we leave here. We don't want to

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

lose the reality of the necessity of addressing these specific issues, not just from a redevelopment side, but also from an economic side, because you can never eliminate poverty. I believe the Portage Prairie Project is exciting. It is an exciting economic growth for the city of South Bend, and I am not in opposition to the inclusion of Portage Prairie in the Airport Economic Development Area for the TIF. But I strongly believe that the dialogue currently taking place to include the LaSalle area in the Airport Economic Development Area also is a challenging dialogue, it's appropriate dialogue, it's exciting, it's advantageous and opportune, and it's long over due. But if we never get people to sit in these types of tables and those that sit down in the Council that sit down in those tables to talk like this and to advocate for the poor, they never will get it changed. It will remain the same. And, we have to have the John Phairs advocate for the poor, too. We need the corporations to advocate for the poor, not just to ignore the poor, but to advocate, to be real, to be "ficial." Do you understand what I mean by "ficial?" I mean "official". See, we have three choices if you're going to be "ficial". Either you are official, which is real, or you are artificial or superficial. And there is too much artificial, superficial baloney that goes on in the government and not really addressing the real issues of the poor, not addressing them as we should address them, and so it goes on, and on, and on, and it never gets addressed. I believe it is possible

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

in the inner city, the grassroots, and financially challenged poor people, given the proper tools, resources, guidance, training, support, and compassion to create an economic plan that will transform the LaSalle area and any other neighborhood in our city if we really choose to do it. It was my plan to suggest that we also include the LaSalle Square and every other part of our city that's impoverished, along with this proposal, this resolution. If we would just include the LaSalle Square... but if we weren't going to include this LaSalle Square...but if we do, also a contingency to pursue including other parts of it, and to do that within the next ninety days. But, in hearing these things, and especially what you had to say, Shawn, I think it is wiser on my part, as far as the Council, that we do improve the TIF. But, it sounds like John Phair doesn't want that TIF. He said, "you're not using it for me anyway." I understand, and I am not in opposition toward it, so, that's my commentary.

WILLIAM HOJANACKI: I didn't actually hear anybody who was really opposed to it. Everything that I heard was in favor of including the LaSalle Square Area and the economic areas along Lincolnway West area there as a part of it. I really do see that, and I am totally sympathetic about this. This is the area I grew up in when I was a kid. I'm very, very sympathetic about doing something about LaSalle Square, and very sympathetic about doing something about the entire

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

northwest part of the city, and the fact that it is so linked to Portage Prairie, I think it is somewhat unfortunate. I do see those as different kinds of things. There is a difference between development and redevelopment, even though that distinction is often very, very, very thin. So I want to make it very clear that I am really in favor of doing something for LaSalle Square, but I think we ought to approve this resolution as it is written right now and I would so move that.

MR KING: OK, let me just make a comment and then we will see if that motion has a second. I think the last comments that we heard, those from Shawn Peterson are probably best characterize my own thinking, which is that the approval of this resolution would help to generate the capability to achieve the goals that everyone who stood up and spoke publicly and what Hardie has just articulated are about. And so I see this not as an either or situation, it see it as steps in the right direction. I think that if we approve this Resolution No. 2254, and it results in the generation of additional funds that are available to be used for valid purposes, that we are actually taking the first step in the right direction. I think that the comments made about LaSalle Square are equally valid, and some of you who have been attending our meetings on a regular basis know, that at our previous meeting, the August 12 meeting, this Commission took an action directing staff to begin a project of research

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) continued...**

and preparation of a report back to the Commission on, in fact, the inclusion of LaSalle Square into the Airport Economic Development Area as part of, perhaps, a future action. I've seen the work plan, it's well laid out, it's organized, it will deliver the answers, and best of all, there's a promised deliver date of our first meeting in October. I think I see these things not as mutually exclusive. I see them as steps leading in the right direction, and, therefore, I also favor the adoption of Resolution No. 2254, and in fact, I will second Mr. Hojnacki's motion.

**(2) Commission approval requested for Resolution No. 2254.**

Mr. King thanked everyone who came for participating in this process. He realized the difficulty of coming at that time of day, but their contribution will help the Commission to do its job better. He encouraged them to come back.

Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission approved Resolution No. 2254 expanding the boundaries of the Airport Economic Development Area, expanding the allocation area for purposes of tax increment financing and amending the Airport Economic Development Area Development Plan.

COMMISSION APPROVED RESOLUTION NO. 2254  
EXPANDING THE BOUNDARIES OF THE AIRPORT  
ECONOMIC DEVELOPMENT AREA, EXPANDING  
THE ALLOCATION AREA FOR PURPOSES OF TAX  
INCREMENT FINANCING AND AMENDING THE  
AIRPORT ECONOMIC DEVELOPMENT AREA  
DEVELOPMENT PLAN

## **6. NEW BUSINESS (CONT.)**

### **B. Tax Abatements**

- (1) Commission approval requested for Resolution No. 2262 approving an application for real property tax deduction for property located at 1401 South Main Street in the Sample-Ewing Development Area. (BLK,LLC d/b/a Old Fort Building Supply)**

Mr. Schalliol gave the staff report on the project. Old Fort Building Supply is a major supplier of construction materials to the Michiana area. The main product lines are brick, architectural block, stone, landscaping pavers, drywall, acoustical ceilings and related products. The company plans to renovate a Redevelopment Commission-owned, vacant lot into a paved and fenced outdoor storage yard for masonry products. The additional storage is Phase I of a four-phase expansion plan at Old Fort. The estimated cost of the addition is \$200,000.

Alternative to the tax abatement, Old Fort Building Supply may qualify for an Enterprise Zone Investment deduction. This new 10-year deduction covers 100% of assessed value from new investment, but requires the company to contribute 25% of savings to the Urban Enterprise Association. If the company receives the Enterprise Zone Investment deduction, the tax abatement will become null and void.

It is estimated that the total project will create two new, permanent, full-time jobs representing a new annual payroll of \$60,000. The project will also maintain nineteen existing, permanent, full-time jobs



**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(1) continued...**

and one existing permanent, part-time job representing an annual payroll of \$830,000.

Old Fort Building Supply has not received any previous tax abatements. The property is properly zoned for the proposed project. The property is located in the Sample-Ewing Development Area, which is a tax increment allocation area; therefore, the petition for real property tax deduction must first be approved by the South Bend Redevelopment Commission. Although the project qualifies for a five-year abatement, staff recommends the Commission grant only a three-year abatement because the project converts a vacant lot for outdoor storage with no building construction.

The estimated cost of the three-year abatement is as follows:

	Estimated Taxes Over 3 Yrs
Without Abatement	\$20,577
With 3 Yr Abatement	\$4,1161
Estimated Cost of 3 Yr Abatement	\$16,461

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2262 approving an application for three years of real property tax deduction for property located at 1401 South Main Street in the

COMMISSION APPROVED RESOLUTION NO. 2262  
APPROVING AN APPLICATION FOR THREE YEARS  
OF REAL PROPERTY TAX DEDUCTION FOR  
PROPERTY LOCATED AT 1401 SOUTH MAIN  
STREET IN THE SAMPLE-EWING DEVELOPMENT  
AREA. (BLK,LLC D/B/A OLD FORT BUILDING  
SUPPLY)

## 6. NEW BUSINESS (CONT.)

### B. Tax Abatements

#### (1) continued...

Sample-Ewing Development Area.  
(BLK,LLC d/b/a Old Fort Building Supply)

#### (2) **Commission approval requested for Resolution No. 2265 approving an application for personal property tax deduction for property located at 3605 West Cleveland Road in the Airport Economic Development Area. (Federal Mogul Powertrain)**

Mr. Schalliol gave the staff report on the project. Federal Mogul is a manufacturer of automotive pistons. Customers include most of the major foreign and domestic automobile manufacturers. Operations in South Bend began in 1987. The project will invest \$4,779,000 in new manufacturing equipment which will be acquired and installed under four categories: (1) a new assembly cell line---Chrysler 4.7L (the Daimler Chrysler 4.7L is new business for Federal Mogul); (2) productivity improvement and safety; (3) research and development and (4) information technology.

The project is not expected to create any new jobs, but because the Daimler Chrysler 4.7L is new business for the facility, it will provide continued employment for approximately 60 full-time employees when the product is at full volume in 2008. The project will maintain 445 existing, permanent full-time jobs representing an annual payroll of \$19,373,000.

## 6. NEW BUSINESS (CONT.)

### B. Tax Abatements

#### (2) continued...

Federal Mogul has received nine previous personal and two previous real property tax abatements. It is in compliance with all reporting requirements for those abatements. The property is properly zoned for the proposed project. The property is located in the Airport Economic Development Area, which is a tax increment allocation area; therefore, the petition for personal property tax deduction must first be approved by the South Bend Redevelopment Commission. The project qualifies for a five-year personal property tax abatement under the tax abatement ordinance.

The estimated cost of the five-year abatement is as follows:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$442,675
With 5 Yr Abatement	\$151,513
Estimated Cost of 5 Yr Abatement	\$291,161

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2265 approving an application for five years of personal property tax deduction for property located at 3605 West Cleveland Road in the Airport Economic Development Area. (Federal Mogul Powertrain)

COMMISSION APPROVED RESOLUTION NO. 2265 APPROVING AN APPLICATION FOR FIVE YEARS OF PERSONAL PROPERTY TAX DEDUCTION FOR PROPERTY LOCATED AT 3605 WEST CLEVELAND ROAD IN THE AIRPORT ECONOMIC DEVELOPMENT AREA. (FEDERAL MOGUL POWERTRAIN)

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

- (3) Commission approval requested for Resolution No. 2266 approving an application for real property tax deduction for properties located at 1810, 1818, 1826, 1834, 1844, 1852, 1860, and 1868 Overlook Court in the South Side Development Area. (Ullery Development, LLC/Villas at Ireland Woods)**

Mr. Schalliol gave the staff report on the project. Ullery Development intends to construct eight new, single-family homes on 1.98 acres of land on urban infill lots. The homes will consist of two or three bedrooms and two baths, ranging in size from 1,463 to 1,906 square feet with basement, a 23 ft x 24 ft attached garage, covered patio, optional fireplaces, and vinyl siding with stone and/or brick accents. Each home will be built on a minimum 66 ft x 138 ft lot. The estimated price of each home will be between \$190,000 and \$300,000 (average \$243,750).

Ullery Development was granted one previous tax abatement. It is in compliance with all reporting requirements for that abatement. The property is properly zoned for the proposed project. The property is located in the South Side Development Area, which is a tax increment allocation area; therefore, the petition for real property tax deduction must first be approved by the South Bend Redevelopment Commission. The project qualifies for a five-year real property tax abatement under the tax abatement ordinance.

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(3) continued...**

At an assessed value of \$179,187, the cost of the abatement on each house will be approximately:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$24,448
With 5 Yr Abatement	\$14,232
Estimated Cost of 5 Yr Abatement	\$10,217

Mr. Shalliol noted that when the South Side Development Area Development Plan was adopted, it stipulated that there would be no tax abatements given in the SSDA. When that provision was passed, it was intended to forbid industrial or commercial tax abatement because of the impact on TIF. Residential abatement has no impact on TIF because residential cannot be counted in TIF.

Upon a motion by Mr. Blake, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2266 approving an application for real property tax deduction for properties located at 1810, 1818, 1826, 1834, 1844, 1852, 1860, and 1868 Overlook Court in the South Side Development Area. (Ullery Development, LLC/Villas at Ireland Woods)

COMMISSION APPROVED RESOLUTION No. 2266  
APPROVING AN APPLICATION FOR REAL  
PROPERTY TAX DEDUCTION FOR PROPERTIES  
LOCATED AT 1810, 1818, 1826, 1834, 1844,  
1852, 1860, AND 1868 OVERLOOK COURT IN THE  
SOUTH SIDE DEVELOPMENT AREA. (ULLERY  
DEVELOPMENT, LLC/VILLAS AT IRELAND  
WOODS)

**(4) Commission approval requested for  
Resolution No. 2268 approving an  
application for real property tax deduction  
for property located at 104 North Niles**

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(4) continued...**

**Avenue in the South Bend Central  
Development Area. (Niles/Washington LP  
for the benefit of AM General)**

Mr. Schalliol gave the staff report on the project. The Niles/Washington LP is the partnership of Holladay Corporation which owns the building at Niles and Washington which houses AM General's corporate headquarters. AM General is a major supplier to the U.S. military of personnel vehicles and a builder of sport utility vehicles for General Motors. The company plans to construct a 17,500 sft addition and make improvements to the existing 35,000 sft building. The construction of the new addition and improvements to the existing office building will allow AM General to remain in South Bend with space to grow as the market dictates. The estimated cost of the addition is \$2,009,000 with improvements to the existing building of approximately \$500,000.

The project will create an estimated eleven new permanent, full-time jobs representing a new annual payroll of \$800,000. The project will also maintain one hundred four existing permanent, full-time jobs and one part-time job representing an annual payroll of \$9,800,000.

Niles/Washington LP has not received any previous tax abatements. The property is properly zoned for the proposed project. The property is located in the South Bend Central

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(4) continued...**

Development Area, which is a tax increment allocation area; therefore, the petition for real property tax deduction must first be approved by the South Bend Redevelopment Commission. The project is also in the East Bank Development Area which has a different set of qualifications for office development. The project qualifies for a eight-year real property tax abatement under the tax abatement ordinance.

The estimated cost of the eight-year abatement is as follows:

	Estimated Taxes Over 8 Yrs
Without Abatement	\$688,392
With 8 Yr Abatement	\$299,450
Estimated Cost of 8 Yr Abatement	\$388,942

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2268 approving an application for eight years of real property tax deduction for property located at 104 North Niles Avenue in the South Bend Central Development Area. (Niles/Washington LP for the benefit of AM General)

COMMISSION APPROVED RESOLUTION No. 2268 APPROVING AN APPLICATION FOR EIGHT YEARS OF REAL PROPERTY TAX DEDUCTION FOR PROPERTY LOCATED AT 104 NORTH NILES AVENUE IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA. (NILES/WASHINGTON LP FOR THE BENEFIT OF AM GENERAL)

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(1) Commission approval requested for Authorization for Entry Upon Public Property for Former Rink Riverside Site Redevelopment Project.**

Ms. Laurent noted that this is an access agreement which allows the principals of Eco-Urban Collaborative to contract with a local engineering firm to conduct a soil boring analysis on the former Rink Riverside property. On April 7 staff reported to the Commission certain weaknesses with the two proposals that the Commission had received concerning the purchase and development of the site. In subsequent communications with the Eco-Urban Collaborative, staff suggested three areas needing improvement in its proposal: (1) a clearer, more detailed project pro forma, (2) proof of financial backing, and (3) proven capacity to complete the development project, whether that be a partnership with a more experienced developer, or some other means of bringing development expertise and accountability to the project. On May 19 the Commission directed staff to close conversations with the two development firms based upon the terms they had previously presented in their respective proposals, and to encourage the two to bring back new proposals. At the same time, the Commission left open the possibility that consideration of other proposals that might be presented. So, Eco-Urban continues to pursue many avenues of refinement of their original proposal and at this time they wish to conduct site-specific due diligence on the site and need the Commission's permission to do so. They



**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(1) continued...**

will fund the soil borings and intend to share the results with the Commission whether or not you accept their offer for purchase. Staff recommends allowing them access.

Upon a motion by Mr. Blake, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Authorization for Entry Upon Public Property for Former Rink Riverside Site Redevelopment Project for Eco-Urban Collaborative.

COMMISSION APPROVED THE AUTHORIZATION  
FOR ENTRY UPON PUBLIC PROPERTY FOR  
FORMER RINK RIVERSIDE SITE  
REDEVELOPMENT PROJECT FOR ECO-URBAN  
COLLABORATIVE

**(2) Commission ratification requested for  
Authorization for Entry Upon Public  
Property for Gameday Redevelopment  
Project.**

Ms. Laurent noted that this access agreement is for the placement of two marketing signs on the St. Joseph/Jefferson lot for the benefit of marketing the Gameday project in association with Cressy & Everett. This is in advance of football season and the Enshrinement Festival. Pre-sales are going very well and within thirty days we expect some major announcements in terms of progress of the project. In the meantime, the City is doing all it can to help market the property. This authorization was needed before the Enshrinement Festival so Commissioners signed it then and it needs to be ratified now.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission ratified the Authorization for

COMMISSION RATIFIED THE AUTHORIZATION  
FOR ENTRY UPON PUBLIC PROPERTY FOR  
GAMEDAY REDEVELOPMENT PROJECT

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(2) continued...**

Entry Upon Public Property for Gameday  
Redevelopment Project.

**(3) Commission approval requested for  
Petition to the Common Council of the  
City of South Bend, Indiana, for the  
establishment of an Economic  
Improvement District.**

Ms. Laurent noted that the City of South Bend and Redevelopment Commission have funded Downtown South Bend Inc for several years in a demonstration Business Improvement District (BID) aimed at providing a heightened level of maintenance, beautification, safety and hospitality services for downtown businesses and visitors. The demonstration period had been successful in proving the value and demand for these services. Downtown is thriving and the BID initiative will take this to the next level. A BID is a true partnership of public and private interest and the intention is now to create a special assessment district, allowed for by state statute as a means of funding these services going forward. DTSB has launched an official petition campaign to begin the legal process of declaring a special assessment district. A petition signed by 51% of property owners and representative of a minimum of 66% of the assessed value must be presented to the Common Council to be presented by ordinance. Staff has worked closely with DTSB to get this initiative off the ground and congratulates their staff for the grassroots work they have undertaken in

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(3) continued...**

building support for the BID. The petition represents the Redevelopment Commission's voluntary obligation to be assessed at a percentage amount equal to all other property owners in the downtown. Staff recommends the Commission's support.

Mr. Hojnacki asked if this means Commission-owned property will be assessed the same as business owners. Ms. Laurent responded that that is correct. Other non-profit agencies such as Madison Center and Memorial Hospital will participate also.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved the Petition to the Common Council of the City of South Bend, Indiana, for the establishment of an Economic Improvement District.

COMMISSION APPROVED THE PETITION TO THE COMMON COUNCIL OF THE CITY OF SOUTH BEND, INDIANA, FOR THE ESTABLISHMENT OF AN ECONOMIC IMPROVEMENT DISTRICT

**(4) Commission approval requested for First Amendment to Parking Agreement with South Bend Community School Corporation.**

Ms. Greene explained that the Commission has an agreement in place with the School Corporation for their use of two floors of the Wayne Street garage, related to its new administrative building. The original Parking Agreement contemplated that parking would be controlled through the use of signs on the top two floors which are dedicated to the exclusive use of the School Corporation. It was naïve of both parties to

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(4) continued...**

think that signs would be sufficient to actually control parking. In order to provide for better control of parking for the public and for the school corporation, I recommend that the Commission amend the Parking Agreement with the School Corporation. What has been worked out tentatively is the idea of installing a second level of gates on the upper floors which will work in coordination with existing gates located near the exit of the garage. Staff is requesting Commission approval to prepare an Amendment to the Parking Agreement and finalize some terms that are sufficient to capture that intent.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission Legal Counsel to prepare a First Amendment to Parking Agreement with South Bend Community School Corporation expressing terms agreeable to both parties

COMMISSION AUTHORIZED LEGAL  
COUNSEL TO PREPARE A FIRST  
AMENDMENT TO PARKING AGREEMENT WITH  
SOUTH BEND COMMUNITY SCHOOL  
CORPORATION

**(5) Staff report on Commission-owned property. (201 S. Chapin St.)**

Mr. Laurent noted that the Redevelopment Commission is owner of the property at 201 S. Chapin St. The property is leased to the Studebaker National Museum for its newly constructed museum. As part of that project, the property was acquired by South Bend Heritage Foundation from a residential owner. The property was then transferred to the City. At that time there were some back

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(5) continued...**

taxes owed. It also appears there were some levies made in error while that property was owned by a non-profit agency and the City. Staff and legal counsel have been working on this for several months, trying to get this error corrected before the property goes for tax sale. Since the tax sale is fast approaching, the best action at this point seems to be a Petition of Waiver of Taxes. Staff requests the Commission's direction to draft that petition to be submitted to the appropriate bodies.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission directed staff and legal counsel to draft a Petition of Waiver of Taxes and submit to the appropriate bodies for property located at 201 S. Chapin St.

COMMISSION DIRECTED STAFF AND LEGAL COUNSEL TO DRAFT A PETITION OF WAIVER OF TAXES AND SUBMIT TO THE APPROPRIATE BODIES FOR PROPERTY LOCATED AT 201 S. CHAPIN ST.

**(6) Opening of Bids for roof repair in the South Bend Central Development Area. (LaSalle Hotel)**

Mr. Williams reported on the bids submitted earlier in the meeting. KRC Roofing was the lowest responsible bidder at \$4,900 (base bid) and \$2,900 for the alternate. The combined total is \$7,860. Staff recommends accepting the bid of KRC Roofing.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission accepted the bid of KRC Roofing in the amount of \$7,860 for roof repairs to the LaSalle Hotel.

COMMISSION ACCEPTED THE BID OF KRC ROOFING IN THE AMOUNT OF \$7,860 FOR ROOF REPAIRS TO THE LASALLE HOTEL

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(7) Commission approval requested for Authorization for Entry Upon Public Property for property located at 211 Colfax Avenue.**

Ms. Laurent noted that the City partners each year with Downtown South Bend, Inc. in the sponsorship of Art Beat which highlights our downtown and local artistic talent. This is an access agreement which allows DTSB to direct aesthetic and safety improvements to the property on the northwest corner of Hill and Colfax. The vacant lot will be the scene of a musical stage. Work estimated at approximately \$4,000 will be funded through TIF as a donation to Art Beat, however the work done will be a needed improvement of lasting benefit. Many City departments offer in-kind services to this event. Staff recommends approval of the agreement.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved the Authorization for Entry Upon Public Property for property located at 211 Colfax Avenue.

COMMISSION APPROVED THE AUTHORIZATION  
FOR ENTRY UPON PUBLIC PROPERTY FOR  
PROPERTY LOCATED AT 211 COLFAX AVENUE

**D. Sample-Ewing Development Area**

**(1) Staff report on acquisition of property in the Sample-Ewing Development Area.**

Mr. Schalliol noted that staff had presented to the Industrial Revolving Fund a purchase offer in the amount of \$147,000 for the Kokoku Wire property at 1217 Walnut Street. The Industrial Revolving Fund has

## **6. NEW BUSINESS (CONT.)**

### **D. Sample-Ewomg Development Area**

#### **(1) continued...**

presented a counter offer. They accept the price, but have set some restrictions on how they would like the sale proceeds to be distributed. Staff recommends accepting the counter offer, as presented by the Industrial Revolving Fund.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission accepted the counter offer from the Industrial Revolving Fund for property located at 1217 Walnut Street.

COMMISSION ACCEPTED THE COUNTER OFFER FROM THE INDUSTRIAL REVOLVING FUND FOR PROPERTY LOCATED AT 1217 WALNUT STREET.

#### **(2) Staff report on property to be acquired by the Redevelopment Commission (1217 S. Walnut)**

Mr. Schalliol noted that this item relates to asking staff and legal counsel to draft a form of petition for tax relief as well as directing legal counsel to file the petition once the property acquisition for 1217 Walnut St. is completed.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission directed staff and legal counsel to draft a form of petition for tax relieve for property located at 1217 Walnut St. and to file that petition when the Commission received title to the property.

COMMISSION DIRECTED STAFF AND LEGAL COUNSEL TO DRAFT A FORM OF PETITION FOR TAX RELIEVE FOR PROPERTY LOCATED AT 1217 WALNUT ST. AND TO FILE THAT PETITION WHEN THE COMMISSION RECEIVED TITLE TO THE PROPERTY

### **E. Airport Economic Development Area**

There was no business in the Airport Economic Development Area.

**6. NEW BUSINESS (CONT.)**

**F. South Bend Medical Services District**

There was no business in the South Bend Medical Services District.

**G. West Washington-Chapin Development Area**

There was no business in the West Washington-Chapin Development Area.

**H. South Side Development Area**

There was no business in the South Side Development Area.

**I. Northeast Neighborhood Development Area**

There was no business in the Northeast Neighborhood Development Area.

**J. Douglas Road Economic Development Area**

There was no business in the Douglas Road Economic Development Area.

**7. PROGRESS REPORTS**

There was no report.

PROGRESS REPORTS

**8. NEXT COMMISSION MEETING**

The next meeting of the Redevelopment Commission is scheduled for Friday, September 15, 2006 at 10:00 a.m.

NEXT COMMISSION MEETING



South Bend Redevelopment Commission  
Rescheduled Regular Meeting –August 25, 2006

**9. ADJOURNMENT**

There being no further business to come before the Redevelopment Commission, Mr. Hojnacki made a motion that the meeting be adjourned. Mr. Blake seconded the motion and the meeting was adjourned at 12:12 p.m.

ADJOURNMENT

---

Donald E. Inks, Director

---

Marcia I. Jones, President

**EXECUTIVE SESSION**

**August 25, 2006**

The South Bend Redevelopment Commission met in Executive Session on Friday, August 25, 2006, at 8:45 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Karl King, Vice President; Hardie Blake, Bill Hojanaki. Others Present: Sharon Kendall, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Cheryl Greene, Robert Mathia, Bill Schalliol, Tim Williams, Andy Laurent, Jennifer Laurent, Nick Witwer, Pam Paluszewski and Shawn Peterson. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

---

Donald E. Inks, Director

---

Marcia I. Jones, President